

368.302
G931
1961



3 0112 105258914

THE LIBRARY OF THE

MAR 19 1962

UNIVERSITY OF ILLINOIS



The GUARDIAN Life Insurance Company OF AMERICA

102nd
annual report

On the cover is the illustration from one of The Guardian advertisements appearing currently in TIME, NEWSWEEK and U. S. NEWS and WORLD REPORT. The headline that accompanies this illustration—"Guardian Guarantees Protection For Her—Good Property For You"—dramatizes the theme and the objective of this new series of ads.

The concept of life insurance as protection for the family is widely accepted in America today. The ownership of life insurance by over 110 million Americans bears eloquent testimony to that.

Not nearly so well-known, however, even by many of those who own life insurance, is the fact that a permanent life insurance policy is valuable property, offering many advantages unmatched by many other forms of property.

For example, the value of the "growth fund" in your life insurance policy is unconditionally guaranteed. The table of cash values printed right in the policy tells you the exact amount of your cash reserve at any time in the future.

The policy has a guaranteed collateral value at a guaranteed interest rate. If an emergency or opportunity arises, there's no need to estab-



lish credit, no fear that a loan may be called.

The policy guarantees a variety of settlement provisions to choose from—either for the beneficiary in event of your death or for you at retirement. The most important of these, perhaps, is the one that permits you to take an income comprised of principal and interest that is guaranteed payable for life—no matter how long you or your beneficiary may live.

When you add in the fact that this property passes to your family without any probate costs or administrative problems—and the guarantee that the money will be available to complete those plans you have made for your family's future, even if something happens to you—you have a truly unique form of property, based not on hopes or dreams, but on *guarantees*.

The Annex to our home office was near completion at year's end, with occupancy scheduled for February of this year. Designed to provide operating efficiency and economies, plus improved working conditions for our staff, the new building will provide the space required for the company's anticipated growth for the years ahead.



summary of results

	1961	1960	% INCREASE
Paid to Beneficiaries and Policyholders (Including Dividends)	\$51,854,000	\$ 45,458,000	14.1
Added to Policyholders' Reserves and Surplus	23,666,000	21,783,000	8.6
TOTAL	75,520,000	67,241,000	12.3
Set Aside for Dividends to be Paid to Policyholders next year	10,100,000	9,500,000	6.3
Received from Policyholders and Beneficiaries	73,987,000	67,402,000	9.8
Income from Investments	22,973,000	20,744,000	10.7
Expenses of Operation excluding Taxes	16,559,000	15,002,000	10.4
Federal, State and Local Taxes and Fees	4,329,000	3,960,000	9.3
New Individual Life Insurance	261,462,000	234,505,000	11.5
New Group Life Insurance*	67,886,000	54,128,000	25.4
New Individual Health Insurance Premiums	1,420,000	1,384,000	2.6
New Group Health Insurance Premiums	1,745,000	1,485,000	17.5
Life Insurance in Force	2,121,987,000	1,952,310,000	8.7
Assets	544,245,000	517,051,000	5.3
Policyholders' Surplus for General Contingencies	36,009,000	34,315,000	4.9

* Excludes increases in company's share of
Federal Employee Group Life Insurance Plan.

to our policyholders:

The Summary of Results for 1961, the measure of our service to Guardian policyholders and their beneficiaries, shows notable gains in every important category. Of particular interest are:

- the 11.5% increase in purchases of individual life insurance, a figure considerably better than that reported by most major life insurance companies for 1961;
- a new high for insurance in force in excess of two billion dollars—that milestone was reached on April 12, 1961, just nine years after your company had achieved the one billion-in-force mark;
- the continuing improvement in investment earnings, which contribute importantly to reducing the cost of your insurance. The net rate of interest earned on Guardian investments in 1961, after investment expenses but before Federal Income Taxes, was 4.51%, well above the average for the life insurance industry.

Net earnings for the year reached a new high of \$12,717,000...an increase of 15.5% over 1960. In a mutual company like The Guardian, with no stockholders, all of the earnings are paid to, or held for the benefit of, our policyholders. The bulk of the earnings — over \$10,000,000 — has

368.302

G931

1961

been set aside for dividend payments to policyholders. Another \$1,694,000 has been added to unassigned surplus, maintaining that fund for contingencies at 7.2% of our liabilities. The balance was used to strengthen other reserve and allocated surplus funds.

Continuation of favorable investment returns enabled us to increase the interest rates paid or credited to policyholders and their beneficiaries on funds left with the company — to the highest rates paid by any large mutual life insurance company in more than 20 years.

On dividends left to accumulate at interest, which now total more than \$31,000,000, the rate credited on the policy anniversary in 1962 will be 4%, compared with 3.5% last year.

On policy proceeds left with the company to provide a monthly income (other than a life income), the interest credited will be increased from 3.5% to 4% on the contract anniversary in 1962.

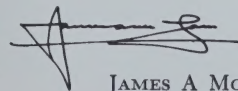
For the policyholder who wishes to pay some of his premiums in advance, a discount is allowed that is equivalent to 4% compound interest on the advance payment. For example, if your policy called for an annual premium of \$200, and you decided to prepay the premiums

for five years, you would pay only \$890.36, instead of the \$1,000 that would be required in five annual instalments.

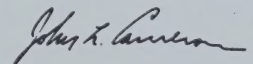
Early in 1961 we made several changes in our life insurance policies, which contributed importantly to our excellent sales results last year. These periodic product revisions occasionally prompt a policyholder to inquire whether he should drop his old policy to acquire a new one.

A cash value life insurance policy never becomes obsolete; it is more valuable with each passing year. As a general rule, it is *never* to the policyholder's advantage to give up an older policy and purchase a new one. If this is suggested to you, we would be very happy to make a complete comparison to help you reach a decision.

This report would be incomplete without a word of appreciation to our policyholders for their continued confidence and support, and to the men and women in our field force and home office staff who have contributed so much to the results reported here.



JAMES A. MCLAIN
Chairman of the Board



JOHN L. CAMERON
President

February, 1962

financial operations

during 1961

The following statement of financial operations has been prepared from the official Financial Statement submitted to the Insurance Departments of all 50 states and the District of Columbia. It is in somewhat less technical form than the official statement. For the statement, securities are carried at values prescribed under recommendation of the National Association of Insurance Commissioners.

INCOME	1961	1960
Received from policyholders and beneficiaries	\$73,987,000	\$67,402,000
Net investment income before Federal Income Tax	22,973,000	20,745,000
Gain on investments sold or matured	92,000	(- 236,000)
Miscellaneous income	663,000	290,000
	<hr/>	<hr/>
	\$97,715,000	\$88,201,000
DISPOSITION OF INCOME		
Payments to beneficiaries and policyholders	42,147,000	37,211,000
Dividends set aside for payment to policyholders in the following year	10,100,000	9,500,000
Added to policyholders' reserve funds	21,430,000	20,441,000
Expenses of operation excluding taxes	16,559,000	15,002,000
Federal, state and local taxes and fees	4,329,000	3,961,000
Adjustment from change in statement value of investments and in investment reserves	416,000	384,000
Reserve deposits paid to reinsurance company	499,000	360,000
Added to allocated surplus funds	541,000	25,000
Added to policyholders' surplus for general contingencies	1,694,000	1,317,000
	<hr/>	<hr/>
	\$97,715,000	88,201,000

balance sheet

ASSETS

Bonds valued at

First Mortgages on real estate of —
\$92,348,000 are V.A. loans, and
\$62,159,000 carry the F.H.A. guaranty

Real Estate valued at —
including properties for
company use of \$6,990,000

Transportation Equipment leased to
various corporations

Stocks valued at

Loans made to policyholders on the
security of the value of their policies

Cash on hand and deposited in banks

Interest and Rents earned but not yet
collected

Premiums in course of collection
and unpaid instalments of premiums
payable other than annually of

*Provision is made in our policy reserve
for any of these premiums which may
not be paid.*

Other assets

TOTAL ASSET

*A list of the securities owned by your company on
December 31, 1961 will be sent to you on request*

The G

of December 31, 1961

1961	1960	LIABILITIES, SURPLUS AND OTHER FUNDS	1961	1960
\$243,214,000	\$236,489,000	Reserves for Future Benefits under policies and for matured policy benefits payable in instalments	\$443,641,000	\$423,994,000
221,956,000	205,833,000	Death Benefits and other policy benefits in course of payment, including an amount to cover claims not yet reported	2,897,000	2,387,000
13,749,000	12,811,000	Dividends of policyholders held at interest	31,694,000	29,878,000
7,000,000	9,082,000	Dividends of policyholders in course of payment	655,000	582,000
3,109,000	2,952,000	Dividends apportioned for distribution to policyholders in the following year	10,100,000	9,500,000
36,636,000	32,657,000	Premiums paid but not yet due	2,339,000	2,554,000
4,792,000	4,819,000	Interest and Rents paid but not yet due	979,000	920,000
3,750,000	3,512,000	Estimated amount of expenses payable	705,000	425,000
9,660,000	8,654,000	Estimated amount of taxes payable	4,004,000	3,568,000
379,000	242,000	Amounts received subject to refund or allocation including income taxes and Social Security taxes withheld	3,283,000	2,282,000
\$544,245,000	\$517,051,000	Investment valuation reserves	2,459,000	1,922,000
		Other liabilities	832,000	617,000
		TOTAL LIABILITIES	\$503,588,000	\$478,629,000
		POLICYHOLDERS' SURPLUS		
		Allocated Surplus Funds	4,648,000	4,107,000
		Surplus for General Contingencies	36,009,000	34,315,000
		TOTAL LIABILITIES, SURPLUS AND OTHER FUNDS	\$544,245,000	\$517,051,000

ARDIAN Life Insurance Company OF AMERICA

analysis of death claims — 1961

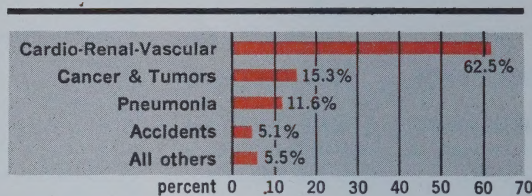
Of all the benefit payments we make in the course of a year, the most dramatic are those that illustrate the immediate estate value of life insurance...the deaths that occur shortly after a policy is purchased. Last year over 3% of our death claims were on policies in force less than two years.

One such case was a 39-year-old office manager who purchased his Guardian policy in January 1961. He suffered severe chest pains while playing golf less than five months later, and that same evening died of a coronary occlusion, leaving a widow and two young children. His new Guardian insurance amounted to nearly half of his estate; it is providing a monthly income for the family now, with \$10,000 held in reserve to help give the children the education their father wanted them to have.

Another was a doctor less than 35 years old, barely started on a very promising career. He became ill with uremia about six months after purchasing a Guardian plan to provide a continuing income for his family, and died just four days after the first anniversary of his policy. His Guardian insurance, on which he paid just one premium of less than \$400, will provide more than \$50,000 for his widow and their three young children over the next 19 years.

These examples of life insurance "in action" ... and there are many of them ... are further proof that "when someone's counting on you, you can count on life insurance."

CAUSES OF DEATH



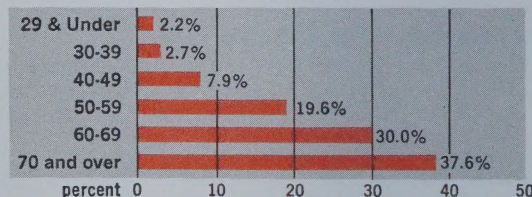
Diseases of the heart and circulatory system continue to be the number one killer among Guardian policyholders by a wide margin, accounting for nearly 2/3 of all death claims in 1961.

Among policies terminated by death last year, close to 7% were for amounts of \$25,000 or more; another 15% ranged between \$10,000 and \$25,000; and 78% were less than \$10,000. More than 70% of these policies were purchased 20 or more years ago.

The high proportion of smaller policies is in sharp contrast to our current sales, with about two-thirds of all new policies being for face amounts of \$10,000 or more.

The chart below, showing the ages of policyholders who died in 1961, confirms the increase in longevity achieved in America in recent years. The large percentage of policyholders living beyond age 65 serves to point up the importance of buying permanent insurance for protection that will last as long as you do—and the value of the retirement options contained in all of our permanent policies.

AGES AT DEATH



Guardian offices

Aberdeen, Wash. R. J. PREBLE, Becker Building
Albany, N. Y. H. D. FREINBERG
National Savings Bank Building
A. J. MERIN, C.L.U.
National Savings Bank Building
Allentown, Pa. PATT, WHITE Co., 1142 Hamilton Street
Arcadia, Calif. W. D. FARNSWORTH
650 West Duarte Road
Atlanta, Ga. H. T. GREEN, C.L.U., 46 Fifth Street, N.E.
Baltimore, Md. G. J. HUNTLEY, JR., 7215 York Road
Binghamton, N. Y. . . . H. W. KING, 37-39 Carroll Street
Birmingham, Ala. . . . BARNEY COPELAND, Jackson Building
Boston, Mass. HARRY ROSS, JR., 480 Boylston Street
Bridgeport, Conn. . . . INSURANCE PLANNERS, INC.
1016 Broad Street
Brooklyn, N. Y. HAIBLUM-WARSHAUER
186 Joralemon Street
Buffalo, N. Y. W. R. EAVENSON, C.L.U.
120 Delaware Avenue
Charlotte, N. C. J. K. POWELL, C.L.U.
City Savings Bank Building
Chicago, Ill. R. W. JANSON, One North La Salle Street
A. D. ROSENTHAL, C.L.U.
135 South La Salle Street
Cincinnati, Ohio T. S. MUIR, C.L.U.
Federal Reserve Bank Building
Cleveland, Ohio W. J. REILLY, C.L.U., B. F. Keith Building
Columbia, S. C. C. H. EVERETT, C.L.U.
Security Federal Building
Columbus, Ohio L. D. ADAMS, 5273 North High Street
Dallas, Texas E. E. DALE, Wilson Building
Denver, Colo. T. G. HERBERT, Security Building
Detroit, Mich. J. V. SHAFER, 18429 W. Eight Mile Road
Evansville, Ind. LEVI BROTHERS, Metropolitan Building
Fall River, Mass. MAURY KUSINITZ, C.L.U.
17 Second Street
Fargo, N. D. M. J. BERG, Edwards Building
Flushing, N. Y. BLUMENCRAZ, KLEPPER & WILKINS
136-31 41 Avenue
Fort Smith, Ark. J. M. ANDREWS, JR.
Merchants National Bank Building
Fort Worth, Texas . . . C. E. DUNLAP, W. T. Waggoner Building
Garden City, N. Y. . . . MORRIS WALD
48 E. Old Country Road (Mineola)
Greensboro, N. C. . . . L. T. GRESHAM, 1828 Banking Street
Hackensack, N. J. . . . R. R. FEINSTEIN, C.L.U., 10 Banta Place
Hartford, Conn. J. E. FAY, 650 Farmington Avenue
Hicksville, N. Y. . . . MURRAY WALDMAN, 20 Jerusalem Avenue
Houston, Texas I. R. BROWN
Hermann Professional Building
Indianapolis, Ind. . . . G. E. TIFFANY, Circle Tower
Jacksonville, Fla. . . . R. E. LEE, 1628 San Marco Boulevard

Kansas City, Mo. S. H. GOODMAN, C.L.U.
4215 Baltimore Avenue

Los Angeles, Calif. . . . C. P. HOUSEMAN, C.L.U.
609 South Grand Avenue
J. A. SPEED, 611 South Catalina

Louisville, Ky. J. R. EVANKO, 339 Starks Building

Memphis, Tenn. B. E. GLASGOW, 22 South Second Street

Miami, Fla. E. J. MUNC, C.L.U.
101 East Flagler Street
R. S. POMEROY, III, C.L.U.
335 South West 27 Avenue

Milwaukee, Wisc. DAVID WAKEFIELD, Bockl Building

Minneapolis, Minn. . . . G. M. REMOLE, 2649 Park Avenue

Montgomery, Ala. . . . A. P. ELEBASH, C.L.U., Leu Building

Mountain View, Calif. . WILLIAM WASSERMAN
361 Castro Street

Newark, N. J. T. B. BRASSIL, Federal Trust Building
J. I. KISLAK AGENCY, INC.
581 Broad Street
ROBERT KRUII, 744 Broad Street

New Brunswick, N. J. . . A. E. S. ZIELINSKI, 75 Paterson Street

New Haven, Conn. . . . RONALD ZIMMERMAN, 26 Grove Street

New Orleans, La. American Bank Building

New York, N. Y. W. S. COLLINS, 201 Park Avenue South
PAUL GOODMAN, C.L.U.
292 Madison Avenue
THE GROGAN AGENCY, 500 Fifth Avenue
SAMONS-PRESS, 660 Madison Avenue
SPAULDER & WARSHALL
123 William Street

Niagara Falls, N. Y. . . JOHN P. HANCOCK & Co., INC.
1301 Pine Avenue

Norfolk, Va. R. S. REINHARDT, Franklin Building

Oakland, Calif. J. L. McDONNELL
Financial Center Building

Oklahoma City, Okla. . M. W. HELMS, Hightower Building

Omaha, Neb. R. W. PASKINS
First National Bank Building

Orange, N. J. W. R. HUNTINGTON, III, C.L.U.
116 Main Street

Orlando, Fla. L. O. ANDERSON
1101 East Colonial Drive

Palo Alto, Calif. TITTLE, IVERSON & SCHLAGER
2450 El Camino Real

Paterson, N. J. M. S. KAPLAN, C.L.U.
265-267 Main Street

Philadelphia, Pa. BAER INS. AGENCY, INC.
1415 Locust Street
G. S. HAMMOND, Philadelphia
National Bank Building
A. W. SONES, 5921 Old York Road

Phoenix, Ariz. D. M. QUAIN
3500 North Central Avenue

Guardian offices CONTINUED

Pittsburgh, Pa.	A. J. HARVEY, Clark Building
Portland, Ore.	M. L. WILLIAMS, Wilcox Building
Providence, R. I.	EVERETT BERLINSKY, C.L.U. Industrial Bank Building
Red Bank, N. J.	G. A. HOLLYWOOD 759 Broad Street (Shrewsbury)
Reno, Nev.	DEXTER GUIO, 508 Humboldt Street
Richmond, Va.	S. W. O'NEILL, 517 West Grace Street
Rochester, N. Y.	ARTHUR KAUFMAN, C.L.U. Commerce Building
Sacramento, Calif.	R. F. WOLLESEN, Eleventh & L Building
St. Louis, Mo.	Ambassador Building
St. Paul, Minn.	H. D. O'MALLEY, C.L.U. 84-86 East 4th Street
San Antonio, Texas	O. J. STEVENSON Petroleum Commerce Building
San Diego, Calif.	2901 Fifth Avenue
San Francisco, Calif. . . .	S. B. BROOKS, C.L.U., 111 Sutter Building
San Jose, Calif.	V. N. BAXTER, C.L.U., 1760 The Alameda CLARK INSURANCE AGENCY 454 Meridian Road
San Mateo, Calif.	D. G. BURDICK, 2041 Pioneer Court
Seattle, Wash.	Securities Building
Shreveport, La.	M. W. MAFFETT, Giddens-Lane Building
Spokane, Wash.	ROGERS & ROGERS, INC. 304 Hyde Building
Stamford, Conn.	PIERSON & SMITH, 67 Broad Street
Syracuse, N. Y.	T.M. TORMEY, Syracuse-Kemper Building
Tampa, Fla.	J. C. MILLS, C.L.U. Tampa Theatre Building
Toledo, Ohio	E. P. BROOKS, 1120 Madison Avenue
Trenton, N. J.	R. A. FREY, 1318 Parkside Avenue
Tulsa, Okla.	D. G. FLIPPO National Bank of Tulsa Building
Washington, D. C.	C. W. O'DONNELL, C.L.U. 1300 Connecticut Avenue, N.W.
Watertown, N. Y.	R. T. WELDON Woodruff Hotel, Public Square
Wheeling, W. Va.	S. L. GUNTER, JR., 75 Twelfth Street
White Plains, N. Y.	UNDERWRITERS ASSOCIATES 230 Main Street
Williamsport, Pa.	S. A. LUNDAHL, C.L.U. 229 West 4th Street
Worcester, Mass.	J. W. NORTON, C.L.U., 340 Main Street

The GUARDIAN Life Insurance Company OF AMERICA

HOME OFFICE
PARK AVENUE SOUTH AT SEVENTEENTH STREET
NEW YORK 3, N. Y.